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LNG NEWS WEEKLY 1ST SEPTEMBER '24

SEVEN SHIPS CONNECTED TO RUSSIA'S ARCTIC LNG PROJECTS BLACKLISTED

Seven shadow LNG carriers associated with shipments from Russia's Arctic projects have been sanctioned by the US on the eve of Ukrainian Independence Day.The US Treasury Department's Office of Foreign Assets Control said it is targeting 400 individuals and entities whose products and services enable Russia to sustain its war effort and evade sanctions, as it continues its support for Ukraine. The new Ofac list includes three Palau-flagged LNG carriers — the 138,000-cbm Pioneer Spirit (ex-LNG Pioneer, built 2005), the 137,231-cbm Asya Energy (ex-Trader IV, built 2002) and the 138,000-cbm Everest Energy (ex-Metagas Everett, built 2003). The Pioneer Spirit and Asya Energy have both been tracked as loading cargoes from Russian energy company Novatek's Arctic LNG 2 plant this month. The liquefaction project was sanctioned by the US in November 2023. The two ships, which have now been switched to an Indian-based ship management company, Ocean Speedstar Solutions, have since moved into the Mediterranean with their cargoes. The Everest Energy appears to be following a similar route to the other two LNG carriers and currently appears to be in the Barents Sea, with ship data providers speculating that it is poised to make a similar loading at Arctic LNG 2. The US has also slapped sanctions on four modern LNG carriers: the 174,000-cbm sister ships North Air and North Mountain (both built 2023) and the newbuildings North Sky

(ex-North Star) and North Way (ex-North Wind). The ice-strengthened vessels were originally built for Russian business, but their ownership was transferred to Dubai-based entity White Fox Ship Management on their deliveries in October and December 2023 and February and March 2024, respectively. On Friday last week, the US also sanctioned White Fox Ship Management, which is listed as managing the vessels since 7 and 8 April. All four vessels were re-classed to the Indian Registry of Shipping and reflagged from Singapore to Panama. They are listed as operated by Singapore-based Novatek Gas & Power Asia, a trading arm of Russian energy company Novatek. The North Sky has just shipped a cargo from Novatek's Yamal LNG plant through the Northern Sea Route and is due to deliver to China shortly. Novatek's newly set up Chinese office, Novatek China Holdings, also appears on the sanctions list, as does Zara Shipholding, a Dubai-based company that has been linked to the Pioneer Spirit.Russia has been building up a shadow fleet of LNG carriers after the 21 specialised ice-breaking vessels it ordered for Arctic LNG 2 were hit by sanctions, complicating their deliveries or delaying construction work on newbuildings. The US Treasury Department said: "Treasury is aware of Russian efforts to facilitate sanctions evasion by opening new overseas branches and subsidiaries of Russian financial institutions. "Foreign regulators and financial institutions should be cautious about any dealings with overseas branches or subsidiaries of Russian financial institutions, including efforts to open new branches or subsidiaries of Russian financial institutions that are not themselves sanctioned." The department warned that it has "a range of tools available" to respond to new evasion tools. Source: www.tradewindsnews.com

MAERSK LINES UP $6.6BN ORDER RUN AS PIVOT ON LNG FUEL TAKES SHAPE

Danish shipping giant AP Moller-Maersk is poised to sign a series of up to 32 LNG dual-fuelled container ship newbuildings at three shipyards. The deals, worth more than $6.6bn in total, come as the company plays catch-up with its first move for LNG-fuelled ships and strives to renew its fleet. In addition, the shipowner is being linked to a raft of charters for LNG dual-fuelled boxships from at least three tonnage providers that could give it a further 20 ships. Added to the newbuilding slots secured, this stacks up to a staggering 62 vessels in total. TradeWinds understands that Maersk has agreed terms with South Korean shipbuilder Hanwha Ocean for six 16,000-teu LNG dual-fuelled container ships priced in the region of $220m each for its own account, along with four optional berths. Locking in 2027 slots Maersk is believed to have secured delivery slots for the vessels in 2027, with Hanwha Ocean pipping HD Hyundai Heavy Industries in the race for the work. In China, brokers said Maersk has signed a letter of intent (LoI) with New Times Shipbuilding for a further six 16,000-teu boxships for delivery in 2028, plus six options. At Yangzijiang Shipbuilding, the liner company has an LoI for a sextet of similar ships for 2027 handover dates, along with four optional vessels. All the newbuildings are listed as LNG dual-fuel ships. A spokesperson for Maersk said: "We do not comment on rumours." In July, TradeWinds reported that methanol-fuelling pioneer Maersk had stunned the market by going back on its original decision to bypass LNG as a fuel.A month later, Maersk chief executive Vincent Clerc detailed that the company had committed to ordering or chartering 800,000 teu of dual-fuel vessels in 2024,

which would be delivered from 2026 through 2030. He said 500,000 teu of capacity is on long-term charter and 300,000 teu is to be owned.Clerc said in August that most of the ships are already ordered or would be inked in the coming weeks. Among the chartered tonnage, five 16,800-teu LNG-fuelled vessels contracted by John Fredriksen-controlled SFL Corp at New Times are widely referenced in the market as vessels chartered to Maersk. New York-listed SFL has previously said the 2028-delivering vessels are backed by 10-year charters with a major liner operator for $1.2bn.Newbuilding and LNG industry sources are now also linking Maersk to charters on a series of six 8,400-teu LNG dual-fuelled vessels ordered at New Times by Greek owner Evangelos Marinakis' private company Capital Maritime & Trading. But Canadian tonnage provider Seaspan Corp is expected to be by far the largest charterer to Maersk. This week, sources were naming the company in connection with at least 19 LNG dual-fuel container ship newbuildings, either on order or to be confirmed, at two yards in China, with the comment that there could be more ships under discussion. The known vessels are understood to include five 16,000-teu newbuildings at New Times along with 10 of 17,000 teu and four of 9,000 teu at Yangzijiang. All the vessels are for delivery dates in 2027 and 2028. Maersk's massive tonnage grab is being seen as the shipowner finally moving to catch up with its peers, many of whom like CMA CGM and MSC Mediterranean Shipping Company have already booked large numbers of LNG dual-fuelled vessels in the previous wave of container ship ordering.Instead, Maersk focused on methanol as its fuel of choice, contracting 25 boxships. Ultimately it intends to run these on green methanol, but this has proved to be in short supply. Space crunch But as a second burst of boxship newbuilding action threatens to mop up yard space, Maersk — which is expected to be overtaken by CMA CGM in the liner company size rankings — has opted to dive in on LNG as a fuel. In August, Clerc assured that Maersk's new vessels, both newbuildings and chartered tonnage, are part of a programme to deliver 160,000 teu per year and maintain a fleet at about 4.3m teu. He said this would include the scrapping of older tonnage and would not contribute to overcapacity in the industry. Source: www.tradewindsnews.com

LNG NEWBUILDING PRICE DROP SEEMS LIKE 'WISHFUL THINKING'

A steady flow of LNG carrier newbuildings is expected to be ordered each year over the period through into the mid-2030s, and the current high prices for vessels may not be ready to fall back yet, according to classification society DNV's gas carrier specialist.Martin Sondre Cartwright, global business director for gas carriers and FSRUs at DNV, said that over the next five to 10 years we are likely to see between 40 and 60 vessels entering the orderbook per year, surpassing the annual average preceding the 2022 boom. Cartwright said in an update posted on LinkedIn: "More tonnage is expected to be required post-2028 as new trade routes become more established, additional liquefaction projects are sanctioned and replacements of older/smaller tonnage take place." He said that the LNG orderbook is "already stretched", particularly by QatarEnergy's new QC-Max vessels of 271,000 cbm, pushing Hudong-Zhonghua Shipbuilding's deliveries out to 2031. Cartwright said Chinese yards will feature more in the LNG newbuilding market. Before the 2022 boom in vessel ordering, their market share was 9%

but has already increased to around 30% in 2024. He added that while this extra yard space could lead to lower prices for newbuildings — the price of a vessel has shot up from $185m to $265m in four years — shipowners should be "careful not to hold their breath". Cartwright cited the rise in container ship ordering, which he said could tip the supply-demand balance back in the yards' favour. In this case "predictions for prices to come down will start to look like wishful thinking", he said. Cartwright said 60 LNG newbuildings are due for handover in 2024, with higher numbers of deliveries — his figures show over 80 ships — due in both 2025 and 2026."The market is well supplied and relatively balanced and this is being reflected by a steadiness in charter rates," he said. The DNV gas chief reflected on whether a fourth type of propulsion system could emerge for the LNG carrier fleet — alongside the existing steam turbine, dual-fuel and tri-fuel diesel-electric and two-stroke systems. "The question now is, will we see a fourth generation added to the LNG carrier fleet in the near term, with propulsion changes and modular designs becoming ever more popular in order to decarbonise and increase cargo capacity," he said. Cartwright said extra ways of reducing emissions for LNG carriers will need to be found in the future, despite the efficiencies already on offer."Like most segments during the boom years, this was largely ignored in 2022, due to limited yard space and higher costs," he said. "However, the more settled newbuild environment of today should see more innovation." Cartwright speculated that these could include technologies to minimise methane slip, fuel cells, onboard carbon capture, and the increase of bio-LNG and possibly hydrogen as drop-in fuels and commented that the increase in competition between Chinese and South Korean yards is likely to be healthy for the market and could be a key driver of innovation. But he added that challenges around supply and extra costs would make this kind of fuel transition difficult. Cartwright describes the current LNG market as being in a "settled phase" with European gas storage stable ahead of the coming winter. He said the Chinese economy has "bounced back" and global LNG demand is rising. Cartwright said more than 60 LNG carriers have been ordered so far in 2024 and many of those to come will be linked to the completion of incoming US liquefaction projects, like those of Golden Pass LNG and Calcasieu Pass 2. Source: www.tradewindsnews.com

CAPITAL CLEAN ENERGY CARRIERS HAILS 'KEY MILESTONE'

Evangelos Marinakis' US-listed shipowning company has completed its corporate conversion and name change from Capital Product Partners to Capital Clean Energy Carriers, as it shifts focus to become an LNG and energy transition-focused business.The company said on Monday that it has moved from a Marshall Islands limited partnership to a corporation named Capital Clean Energy Carriers, which will trade on the Nasdaq stock market under the ticker CCEC. Capital Clean Energy said both the conversion and name change are "key milestones" in its strategic pivot towards the transportation of various forms of natural gas to industrial customers. The company said these will include LNG and new commodities emerging as a result of the energy transition. Capital Clean Energy currently owns 20 vessels, including 12 LNG carriers and eight legacy neo-panamax container vessels. In addition, the company has agreed to acquire six additional modern LNG carriers, six dual-fuel midsize gas carriers and four handysize multigas carriers that can carry liquid CO2 , to be delivered between the first quarter of 2026

and the third quarter of 2027. In June, Capital Product interests ordered 10 of these ships comprising the six midsize vessels and four handysize multigas carriers. These, along with the LNG carrier newbuildings, form the "energy transition vessels", the company said. "This $3.9bn investment, notable both in asset value and scope, demonstrates our commitment to becoming a leading provider of transportation for LNG and other clean fuels," the company said. "Upon delivery of our remaining energy transition vessels between the first quarter of 2026 and the third quarter of 2027, we expect to become the largest US-listed LNG shipping company and will offer our industrial customers a full range of transportation solutions."Capital Clean Energy chief executive Jerry Kalogiratos said: "Today's announcement whilst symbolic is an important step in the growth and evolution of the company. "It builds upon our stated intention to become the only US-listed shipping company offering transportation for all gas types with an emphasis on the energy transition, as these vessels can move LPG, ammonia, butane, propylene and liquid CO2 , adding to LNG, where we already have a presence." He added: "This conversion to a traditional corporate structure will enhance our corporate governance and is intended to position the company as a more attractive investment opportunity in the equity capital markets." Source: www.tradewindsnews.com

FSRU VASANT 1 BOLSTERS TURKEY'S LNG CAPACITY

FSRU Vasant 1 is currently at the forefront of Turkey's LNG import strategy, serving at the newly established Saros FSRU terminal, but that was not always meant to be. This terminal, situated in Saros Bay, is part of Turkey's broader initiative to enhance its LNG import capacity and strengthen its position as a regional energy hub. Vasant 1 arrived at the terminal in February 2023, carrying LNG from Egypt's Damietta terminal. This vessel, with a capacity of 180,000 m3, is leased under a one-year charter to Turkey's state-owned energy company BOTAŞ. The Saros terminal is Turkey's third FSRU-based LNG facility, reflecting the country's growing emphasis on energy security and diversification. However, the journey of Vasant 1 is closely tied to the delayed Jafrabad LNG import terminal project in Gujarat, India. Originally, the vessel was built for Swan Energy Ltd's Jafrabad terminal, which was envisioned as India's first FSRU-based LNG import facility. However, delays in the Jafrabad project, caused by the Covid-19 pandemic and rising LNG prices, prompted Swan Energy to redeploy Vasant 1 to Turkey on a temporary basis. The deployment of Vasant 1 at the Saros terminal is not without controversy. The terminal's construction faced significant environmental opposition due to its location in an ecologically sensitive area. Local activists have raised concerns about potential ecological damage, including deforestation and the risks associated with LNG operations in a seismically active region. Despite these challenges, the project has proceeded, reflecting the Turkish government's commitment to expanding its energy infrastructure. Strategically, the Saros terminal has enabled Turkey to secure new energy partnerships, including a recent 13-year agreement with Bulgaria's Bulgargaz to supply LNG. This deal, along with others, enhances Turkey's role in the regional gas market, leveraging its expanding LNG infrastructure to support neighbouring countries. Vasant 1 now plays a pivotal role in this regional strategy, serving as a critical asset in Turkey's energy supply chain, while potentially being part of India's, too. source:www.rivieramm.com

RUSSIAN LNG PRODUCTION CLIMBS IN JANUARY-JULY

Russia boosted its production of liquefied natural gas (LNG) in January-July this year, according to the Russian statistics agency Rosstat. The country's LNG terminals produced 19.6 million mt during January-July, up by 4.6 percent compared to the same period last year, Rosstat's data shows. This compares to 18.7 million mt of LNG in January-July last year. Last month, LNG production reached about 2.3 million mt, according to Rosstat. This marks a rise of 1 percent compared to the same month in 2023 and a 9.1 percent decline compared to the month before. In July, Russia's gas production reached 42 bcm, up by 20.3 percent compared to the same month in 2023. During January-July, gas production increased 10.6 percent to 334 bcm, the data shows.

Russian LNG terminals

Russia currently produces LNG via Novatek and Gazprom-operated LNG terminals. Gazprom operates the Sakhalin-2 LNG terminal with a capacity of 10.8 mtpa and the mid-scale Portovaya LNG complex in the Leningrad region with a capacity of about 1.5 mtpa. Russia's Sakhalin Energy LLC, the operator of the Prigorodnoye LNG export plant controlled by Gazprom, said in a statement on August 5 it has resumed operations at the facility after completing maintenance activities. The LNG terminal operator carriers annual maintenance activities during summer. Besides these facilities, Novatek operates the 17.4 mtpa Yamal LNG plant in Sabetta. Last month, Novatek delivered this year's first Yamal LNG cargo via the eastern part of the Northern Sea Route to China. Novatek also operates the mid-scale LNG plant in Russia's Baltic Sea port of Vysotsk with a capacity of more than 660 thousand tons of LNG per year. In addition, Novatek is working on the sanctioned Arctic LNG-2 export plant. Novatek recently delivered the second gravity-based structure platform from its yard near Murmansk to the site of the Arctic LNG 2 project located on the Gydan peninsula. The company completed the second GBS despite sanctions by the US and the EU related to the Arctic LNG 2 project. The first GBS left the Belokamenka yard in July last year and Novatek completed the installation on the underbase foundation on the seabed at the Utrenniy terminal in August. Moreover, the first and second GBS each have a capacity of about 6.6 mtpa, while Novatek also plans to build the third GBS. The US government recently imposed sanctions on seven LNG carriers tied to the Novatek-operated Arctic LNG 2 and Yamal LNG projects in Russia. According to the US Treasury and the Department of State, the LNG carriers include the Palau-flagged Asya Energy, Everest Energy, and Pioneer, and the Panama-flagged North Air, North Mountain, North Sky, and North Way. The Department of State said in a statement on August 23 that these new sanctions are targeting shipping companies that loaded and transported LNG from the Arctic LNG 2 project and Russia's procurement of LNG tankers. source:www.lngprime.com

COOLCO CLINCHES LNG CARRIER CHARTER DEAL

LNG carrier operator Cool Company (CoolCo) has entered into a new time charter agreement for one of its TFDE vessels. CoolCo revealed the new charter in its second-quarter results report on Thursday. The company said it has secured a one-year time charter agreement for a TFDE vessel starting in the third quarter of this year with an "energy major". "CoolCo

navigated the flat chartering market since our last reporting through a back-to-back 12-month charter that increased its backlog to $1.8 billion," CEO Richard Tyrrell said. Tyrrell said during the earnings call later on Thursday that the vessel in question is the 2014-built 160,000-cbm, Kool Blizzard. He said the vessel made $55,000 per day in the first half of the year, and will now make "around $10,000 more" on this new 12-month charter. CoolCo has seven TFDE LNG carriers it acquired from Golar LNG and the four LNG carriers it purchased from its largest shareholder Eastern Pacific Shipping. It also manages two vessels owned by other companies, according to its website.

Second LNG newbuild

In May, CoolCo has entered into a 14-year charter deal with India's largest gas utility GAIL for one of the company's two 174,000-cbm newbuild LNG carriers currently under construction in South Korea. CoolCo will deliver the newbuild to state-owned GAIL in the Gulf of Mexico, with the time charter starting in early 2025. Tyrrell revealed more details about this charter during the company's first quarter results earnings call on May 22, saying this is the largest single contract CoolCo has ever entered into. This LNG carrier will be named Kool Tiger and its sister vessel will be named Kool Panther. CoolCo purchased these vessels from EPS, and they feature GTT's Mark III Flex membrane cargo tank system, reliquification, air-lubrication, and shaft generators. The shipping firm exercised its option with affiliates of EPS Ventures in June 2023 to acquire newbuild contracts for the two 2-stroke LNG carriers scheduled to deliver in the fourth quarter of 2024. CoolCo said in the results report on Thursday that the company is "participating in two formal processes for Kool Tiger." "The chartering of one of CoolCo's two newbuilds sets a strong foundation for the second newbuild and CoolCo continues to be in discussions with potential charterers regarding its employment of its other newbuild vessel, which is part of two formal bidding processes," it said. CoolCo is also developing leads for its other vessel redelivering late in the second half of 2024, it said.

Drydocks

"During Q2 and the early part of Q3, CoolCo has taken advantage of the seasonally quieter months to complete drydocks and secure additional forward charter cover for both the relative short term and the long term," Tyrrell said in the report. CoolCo completed its first drydock in the second quarter in 43 days and subsequently finished two more drydocks in the third quarter, taking 21 and 20 days respectively. The 160,000-cbm, Kool Crystal, went into drydock in early May, while the 160,000-cbm Kool Frost entered the yard for its drydock towards the end of the quarter. The average cost of these drydocks is estimated to be about $5.5 million per vessel. Also, the last drydock scheduled for this year will also include the upgrade of a vessel to LNGe specification through the retrofit of a sub-cooler with high liquefaction capacity and other performance enhancements at an estimated cost of an additional $15 million and an additional 20 days off-hire, the company said.

Results

CoolCo generated total operating revenues of $83.4 million in the second quarter, compared to $88.1 million for the first quarter of 2024. The drop was primarily related to a drawn-out drydock, lower rates on CoolCo's single variable charter and lower

vessel management fees as contracts came to an end, partly offset by two vessels rolling over to higher rates, the firm said. Net income of $26.51 million in the second quarter decreased compared to $36.81 million for the first quarter with the decrease primarily related to a reduced unrealized gain on CoolCo's mark-to-market interest rate swaps. CoolCo achieved average time charter equivalent earnings (TCE) of $78,400 per day for the second quarter, compared to $77,200 per day for the first quarter, supported by full quarter contributions from two vessels that recently started higher rate charters, the company said. "Despite the continuing market volatility, geopolitical uncertainty and focus on energy security that continues to figure prominently in the LNG market, several charterers are adopting short shipping strategies that have the potential to spur sudden demand," Tyrrell said. "Meanwhile, high gas inventories in Europe are increasingly driving LNG shipments longer haul to a diverse set of Asian markets, supporting ton-mile demand and causing the global LNG carrier fleet to be underrepresented in the Atlantic Basin ahead of the winter market," he said.

Fleet "largely fixed" through the medium term

Tyrrell said the company looks forward to taking delivery of its two newbuilds later this year, one of which has already secured a 14-year time charter to service the fast-growing Indian LNG market. "Following our recent chartering activity, our fleet is now largely fixed through the medium term," he said. "We are focused on securing additional coverage for our limited charter market exposure in 2024-25, while maintaining the flexibility to benefit from the substantial market tightening we anticipate as vast new LNG volumes come online in 2025-26," he said. "Due to full charter coverage and improved drydock performance, we expect a moderate increase in TCE rate and time and charter voyage revenues for the third quarter compared to the second quarter," Tyrrell added. source:www.lngprime.com

CNOOC, TOTALENERGIES AMEND LNG SPA

France's TotalEnergies and China's CNOOC have signed an amendment to their existing sale and purchase agreement for liquefied natural gas (LNG) supply. According to a statement by CNOOC Gas & Power, the signing ceremony was attended by Jin Shuping, VP of CNOOC Gas & Power, and Ronan Huitric, VP LNG marketing of TotalEnergies. CNOOC's unit said this is the third amendment on price review to the SPA between the two firms. The company did not provide further details regarding the new amendment. LNG Prime invited TotalEnergies to comment on the matter. The initial long-term LNG SPA was signed in 2008, with an annual contract volume of 1 million tons per annum for a period of 15 years. Back in 2018, TotalEnergies and state-owned CNOOC signed an amendment to the SPA to further strengthen their cooperation in the LNG business. The partners have increased the contract volume from 1 Mtpa to 1.5 Mtpa of LNG and have extended the term of contract to 20 years.

World's third largest LNG player

TotalEnergies says it is the world's third largest LNG player with a global portfolio of 44 Mt/y in 2023 thanks to its interests in liquefaction plants in all geographies. The company benefits from an integrated position across the LNG value chain, including

production, transportation, access to more than 20 Mt/y of regasification capacity in Europe, trading, and LNG bunkering. TotalEnergies recently entered deals to supply LNG to Indian Oil and Korea South-East Power. During the second quarter, TotalEnergies sold 8.8 million tonnes of LNG, down 20 percent compared to 11 million tonnes in the same period last year, and down 18 percent compared to 10 million tonnes in the prior quarter. TotalEnergies said LNG sales decreased quarter-to-quarter notably due to lower spot purchases, in a context of lower LNG demand in Europe. During January-June, LNG sales decreased 12 percent to 19.5 million tonnes.

Huge LNG capacity investment

China is the world's largest LNG importer and CNOOC is investing heavily to increase its storage and regasification capacity. CNOOC recently launched six LNG storage tanks each with the capacity of 270,000 cubic meters at its Binhai LNG import terminal in Jiangsu. The tanks are about 65 meters high and have 100.6 meters in diameter. These tanks add to the already four existing tanks with a capacity of 220,000 cbm. CNOOC Gas & Power claims this is China's largest LNG storage base. Besides this expansion, CNOOC is expanding its facilities in Ningbo and Zhuhai within total 11 storage tanks with a capacity of 270,000 cubic meters, it previously said. Following completion of these projects, the total LNG tank capacity of CNOOC will reach 8,510,000 cubic meters, it said. source:www.lngprime.com

BULGARIA EYES LNG SUPPLIES FROM OMAN

Bulgaria is interested in importing liquefied natural gas from Oman via the FSRU-based LNG import terminal off Greece's Alexandroupolis. According to a statement by Bulgarian energy ministry, Bulgaria and Oman will sign a memorandum of understanding to promote bilateral energy relations within the next two months. This was agreed by Bulgarian energy minister, Vladimir Malinov, and Oman's minister of energy, Salim Al Aufi, during a meeting held last week, the statement said. Malinov said guaranteeing security and diversification of energy supply is an "integral part of Bulgaria's national security." "In this respect, one of the main goals facing our country is securing supplies of liquefied natural gas in the long term," he said. He said that after October 1 this year, the LNG terminal near Alexandroupolis, Greece, where the Bulgarian side is a co-shareholder, would start commercial operations. The ministers discussed the possibility of supplying LNG to Bulgaria, thus providing "some of the necessary quantities for the upcoming winter season," the statement said. State-owned Oman LNG operates operates three liquefaction trains at its site in Qalhat near Sur. The company plans to add a new liquefaction train to boost Oman's production of LNG to 15.2 mtpa.

Alexandroupolis FSRU and Botas deal

Gastrade, the operator of the FSRU-based LNG import terminal off Alexandroupolis, recently told LNG Prime that the unit has completed final tests following an issue with the project's pipeline. "The COD (commercial operation date) is still planned for October 1, 2024, to coincide with the start of the next gas year," the company said. Gastrade's shareholders include founder Copelouzou, DESFA, DEPA, Bulgartransgaz, and GasLog. Bulgartransgaz has a 20 percent share in the LNG terminal, while

Bulgargaz previously booked capacity at Gastrade's FSRU-based LNG import project. Besides the Alexandroupolis FSRU, Bulgargaz has a capacity deal with Türkiye's Botas, allowing it access to Turkish LNG import terminals and the grid. The two firms are currently renegotiating the terms of the deal, Bulgargaz said in a statement on August 15. Botas supplied one LNG cargo to Bulgargaz in June. source:www.lngprime.com

SK INNOVATION, SK E&S MERGER APPROVED

Shareholders of South Korea's SK Innovation have approved the previously announced merger deal with SK E&S. Last month, the two firms agreed to merge into one firm, creating the largest private energy entity in South Korea with combined assets of 100 trillion won ($74.8 billion). According to a statement by SK Innovation, the merger agreement was ratified during its extraordinary general meeting held on August 27, with an 85.75 percent approval rate from the attending shareholders. The merger required a special resolution, necessitating the consent of at least two-thirds of the attending shareholders as well as one-third of the total issued shares. The merger ratio between the two companies is set at 1:1.1917417, calculated on the corporate values of SK Innovation and SK E&S. With the merger now approved, the newly combined entity is set to officially launch on November 1. Following the completion of the merger, the shareholding of South Korean conglomerate SK, the largest shareholder of SK innovation, is expected to increase from 36.22 percent to 55.9 percent. The merger is anticipated to enhance the competitiveness of the energy portfolio by integrating SK Innovation's oil and battery businesses with SK E&S's liquefied natural gas (LNG) and renewable energy businesses, SK Innovation said.

SK E&S

SK E&S was spun off from SK innovation in 1999 to become a city gas holding company, and since then the company has become the leading private LNG operator in Korea, the statement said. In 2021, investment company KKR purchased 2.4 trillion won ($1.8 billion) worth of newly issued redeemable convertible preferred shares of South Korea's SK E&S. During the same year, SK E&S revealed ambitious plans for its LNG and hydrogen business by 2025. The company aims to produce 280,000 tons of hydrogen, 7 GW of renewables, and 10 million tons of "low carbon" LNG by 2025. Also, it aims to grow into a major global LNG provider that would supply 6 million tons and 10 million tons of LNG by 2023 and 2025, respectively. source:www.lngprime.com

GERMANY'S MUKRAN FSRU TERMINAL GETS US LNG CARGO

German LNG terminal operator Deutsche ReGas has received a cargo of liquefied natural gas from the US at its FSRU-based LNG import terminal in Germany's port of Mukran.

The 2021-built 174,000-cbm LNG carrier, Hellas Diana, owned by Latsco and chartered by Trafigura, was on Wednesday located at the Mukran FSRU terminal, which consists of two FSRUs, according to its AIS data provided by VesselsValue. Hellas Diana is loaded with a cargo from the Freeport LNG terminal in Texas, the data shows. "Today's delivery took place as

part of the ongoing commissioning phase at the Energie-Terminal Deutsche Ostsee in the industrial port of Mukran," a spokesman for Deutsche ReGas told LNG Prime.

Two FSRUs

In July, Deutsche ReGas welcomed the second FSRU at its LNG import terminal in Mukran. The 2009-built 145,000-cbm, FSRU Neptune, arrived on July 3 at the terminal. The unit, which is 50 percent owned by Hoegh LNG and sub-chartered by Deutsche ReGas from TotalEnergies, left in May Germany's industrial port of Lubmin, where it served the Lubmin terminal. Deutsche ReGas officially launched its Lubmin FSRU-based LNG import terminal, first private LNG terminal in Germany, in January last year. After leaving Lumbin, Neptune was located for about a month at Fayard, in Denmark's Odense port, to complete preparational work prior to its deployment at the Mukran LNG terminal on the island of Rügen.Prior to the arrival of Neptune, the Mukran terminal featured the 2021-built 174,000-cbm, Energos Power, owned by US-based Energos Infrastructure. In June last year, Deutsche ReGas signed a deal with the German government to sub-charter the FSRU delivered in 2021 by Hudong-Zhonghua. Deutsche ReGas took over the charter of Energos Power in October last year. Deutsche ReGas received the first LNG tanker at the Mukran facility in March this year as part of the commissioning phase. Neptune and Energos Power are located side-by-side at the berth 12 in the Mukran port.

Commercial launch and capacity auction

The private LNG firm led by Ingo Wagner and Stephan Knabe said in June that it expected to launch full operations at the Mukran LNG facility in July. Deutsche ReGas said on July 4 that "the terminal is still in commissioning subject to the permission." "The Energie-Terminal Deutsche Ostsee received its permit on April 10, 2024. As confirmed by the authorities in early August, Deutsche ReGas meets the requirements for regular operation of the Deutsche Ostsee energy terminal," the spokesman said on Wednesday. "However, regular operation was ultimately not announced yet," he said. The spokesman also commented on the recent capacity auction. In June, Deutsche ReGas invited market participants to express an interest in capacity at the Mukran FSRU-based facility from 2024 to 2027. "Due to technical difficulties on the part of the PRISMA marketing platform, the auctions could not take place," he said. He said Deutsche ReGas plans to reschedule the auction in the second half of 2024. "Irrespective of these technical restrictions, some short-term capacities were successfully marketed," the spokesman said. Worth mentioning here, France's TotalEnergies and Switzerland-based MET previously booked capacity at the Lumbin FSRU terminal. MET booked 1 bcm per year and TotalEnergies took 2.6 bcm per year of the regasification capacity for a total of 3.6 bcm.

Largest LNG import capacity in Germany

Once in full operation, the Mukran terminal will offer an annual regasification capacity of up to 13.5 billion cubic meters of natural gas and will be able to cover up to 15 percent of Germany's total natural gas demand, Deutsche ReGas said. The company said the privately financed terminal has the largest capacity of all German LNG terminals and plays a "central role"

in supplying eastern Germany, industrial consumers in south-western Germany, and neighboring Eastern European countries. Besides the FSRUs, the Mukran terminal includes the 50-kilometer-long pipeline Ostsee Anbindungsleitung (OAL). Germany's Gascade built this pipeline which connects the LNG terminal in the port of Mukran with the German gas transmission network in Lubmin. Earlier this year, Belgium's Fluxys bought a 25 percent stake in this pipeline. The terminal is connected to the pipeline via the entry point named the Baltic Energy Gate (BEG). source:www.lngprime.com

CELSIUS TAKES DELIVERY OF NEW LNG CARRIER IN SOUTH KOREA

South Korea's Samsung Heavy Industries has delivered another 180,000-cbm LNG carrier to Denmark's Celsius Tankers, a unit of Celsius Shipping. Celsius Tech, a joint venture of Celsius Shipping and Hong Kong-based Fleet Management, announced on Wednesday via social media the naming ceremony for the LNG vessel, Celsius Greenwich. The JV will manage this LNG carrier, such as the previous newbuild Celsius Gandhinagar and other Celsius vessels. Celsius Tech said this marks its 9th vessel since the project began in 2019. Also, this is the fifth vessel of ten Celsius has on order at Samsung Heavy and it features MAN ME-GA engine and GTT's Mark III Flex containment tech. The first newbuild in this batch, Celsius Geneva, was named in July 2023. Celsius will take delivery of the five remaining newbuilds during 2024-2026, according to its website.

20 LNG carriers

VesselsValue data shows the LNG carrier Celsius Greenwich will serve a long-term charter deal with UK-based energy giant BP. On the other hand, Clearlake Shipping, a subsidiary of energy trader Gunvor, has taken on charter Celsius Glarus, Celsius Geneva, Celsius Giza, and Celsius Gandhinagar. Back in October 2021, the Danish firm signed long-term charter deals for four LNG carriers with Clearlake Shipping. In addition to these charters, Celsius Tankers, also signed long-term charter deals for four more newbuild LNG carriers with Clearlake Shipping. China Merchants Heavy Industry in Jiangsu will build these vessels and deliver them in 2026 and 2027. On top of this, Celsius also said in October last year it will book two more LNG carriers at the Chinese shipbuilder and added four more optional vessels. Shipbuilding sources told LNG Prime the construction deal for the second firm vessel in this batch and sixth in the CMHI series has not been signed yet. However, the shipbuilding deal is expected to be finalized by the end of this year. Following deliveries of all these ships, the Danish firm will have 20 LNG carriers in its fleet. This includes four 180,000-cbm vessels delivered in 2020 and 2021.source:www.lngprime.com

HAPAG-LLOYD ADDS NEW LNG-POWERED GIANT TO ITS FLEET, PLANS NEW ORDER

Germany's Hapag-Lloyd has taken delivery of a new ultra-large LNG-fueled containership in South Korea. The company is also planning to order more LNG dual-fuel vessels, according to shipbuilding sources. South Korea's Hanwha Ocean, previously known as DSME, handed over the 23,660-teu, Hamburg Express, Hapag-Lloyd said in a social media post on Tuesday. This

is the seventh vessel to join the "Hamburg Express Class", the largest containerships ever to sail under the German flag, it said. On November 4, Hamburg Express will be officially christened in Hamburg, Hapag-Lloyd said. The containership already left Hanwha Ocean's yard in Okpo and is on its way to China's Ningbo, its AIS data provided by Vessels Value shows. The ship and its sister vessels feature MAN ME-GI engines and LNG fuel tanks made of Posco's high manganese steel. Hanwha Ocean and steelmaker Posco jointly developed the tank named MCTIB (high manganese steel cargo tank independent type-B).

12 vessels

Hapag-Lloyd took delivery of the first of twelve LNG dual-fuel newbuilds, Berlin Express, in June last year. The company first ordered six LNG dual-fuel containerships from Hanwha Ocean in 2020, and it added six more sister vessels in 2021. The orders have a total price tag of about $2 billion. Moreover, the German shipping firm expects to take delivery of the remaining vessels in 2024 and 2025. They are about 400 meters long and 61 meters wide. Hapag-Lloyd adds new LNG-powered giant to its fleet, plans new order besides newbuilds, Hapag-Lloyd operates the converted containership, Brussels Express, the world's first ultra-large containership LNG retrofit. In April, this vessel completed what Hapag-Lloyd claims is the largest ship-to-ship bio-LNG bunkering operation in the Dutch port of Rotterdam. In addition to bio-LNG, Hapag-Lloyd is also working on a synthetic methane project as it looks to further reduce emissions from its fleet of LNG-powered containerships.

New order

Beside these LNG dual-fuel containerships, Hapag-Lloyd is working on a new order for such vessels, shipbuilding sources told LNG Prime. The German firm is considering ordering the ships at South Korean or Chinese yards. Hapag-Lloyd is interested in ordering LNG dual-fuel ships with a capacity of 8,000 teu and 17,000 teu, the sources said. According to the sources, the vessels are expected to be ammonia ready. source:www.lngprime.com

KOTUG LANDS CONGO FLNG GIG FROM ENI

Dutch towage firm Kotug has secured a contract from Italian energy firm Eni to provide marine services for the latter's Congo FLNG project. This project includes the 144 meters long Tango FLNG and the 2002-built 138,000-cbm steam turbine LNG carrier, Excalibur, which serves as an FSU for the project. Also, a second FLNG vessel is under construction in China. Under the terms of the contract, Kotug will deploy three powerful Rotortugs to support a range of operations, the firm said in a statement. The operations include mooring and unmooring of vessels, handling mooring equipment, providing stand-by services, transporting pilots, and offering antipollution, oilfield goods, and also passenger transport services. Each tug delivers over 80 tons of bollard pull and features a propulsion configuration consisting of three thrusters. Kotug said it is dedicated to maximizing local content by collaborating closely with local suppliers and utilizing local goods and services. This initiative will promote the employment and training of Congolese nationals, it said. Kotug did not provide the price tag or the duration of the contract.

Congo FLNG

Eni introduced the first gas in December 2023 into its Tango FLNG facility. Prior to that, the unit arrived in Congo from Dubai. In February this year, Eni shipped the first LNG cargo from the floating LNG facility moored in Congolese waters and this shipment arrived at Snam's FSRU-based facility in Piombino. The firm also sent the second LNG cargo in May and this shipment landed in Spain. Eni purchased Tango FLNG from Belgium's Exmar and it also chartered Excalibur from the latter. The floating LNG producer, delivered in 2017 by China's Wison, has a liquefaction capacity of about 1 billion cubic meters per year of gas, or 0.6 mtpa, and a storage capacity of 16,100 cbm. Eni said the FLNG project, situated within the Marine XII permit, will achieve a plateau gas liquefaction capacity of about 4.5 billion cubic meters per annum once the second vessel arrives. The unit with a capacity of about 3.5 bcm per year of gas, or 2.4 mtpa, is expected to begin production in 2025. Wison New Energies, previously known as Wison Offshore & Marine, won a contract from Eni in December 2022 to build the 380 meters long FLNG. The unit will be able to store over 180,000 cubic meters of LNG. source:www.lngprime.com

INPEX SAYS TO RESTART SECOND ICHTHYS LNG TRAIN IN OCTOBER

Japan's Inpex expects to restart the second liquefaction train at its Ichthys LNG export plant in Australia in October, a spokesman for Inpex told LNG Prime on Tuesday. "Ichthys LNG's Train 2 is scheduled to be restarted in October 2024," the spokesman said. Inpex said on August 22 that the second train was "temporarily halted" on the evening of August 20. Prior to this, Inpex shut down the train in July. The two-train plant currently produces LNG at the first train. "Train 2 has been temporarily halted for inspection and repair after an issue was discovered through operational monitoring activities," the spokesman said on Tuesday. "The issue is similar to the one that occurred in another part of the same train and temporarily halted the train last month," he said. The spokesman added that the "impact on output is expected to be several cargoes at most." He previously said that Inpex expects Ichthys LNG to ship about 10 LNG cargoes per month for the second half of this year. This means that Inpex aims to ship about 126 cargoes this year, three less compared to 2023. Last year, the LNG plant sent record 129 LNG cargoes, 17 cargoes more compared to 2022, as part of the company's plans to boost production to about 9.3 mtpa due to debottlenecking. The plant shipped 11 LNG cargoes in 2018, 104 LNG cargoes in 2019, 122 LNG cargoes in 2020, 117 LNG cargoes in 2021, and 112 LNG cargoes in 2022.

76 LNG cargoes in January-July

Inpex shipped 66 LNG cargoes from its Ichthys export plant during the first half of this year, one cargo more compared to the same period last year. Besides the 66 LNG cargoes, the Ichthys project also sent 12 plant condensate cargoes, 16 offshore condensate cargoes, and 17 LPG cargoes during the first half of this year. This compares to 65 LNG cargoes, 11 plant condensate cargoes, 15 offshore condensate cargoes, and 17 LPG cargoes during the first half of 2023. Inpex also provided shipment data for July, and the Ichthys project sent 10 LNG cargoes, 2 plant condensate cargoes, 2 offshore condensate

cargoes, and 3 LPG cargoes during the last month. Ichthys LNG is a joint venture between operator Inpex and major partner TotalEnergies. Earlier this year, Inpex also purchased a small stake in Ichthys LNG from compatriot Tokyo Gas to boost its stake from 66.245 percent to 67.82 percent. Besides TotalEnergies, other partners in the Ichthys project include Australian units of CPC, Osaka Gas, Kansai Electric Power, Jera, and Toho Gas. Natural gas arrives to the LNG plant at Bladin Point, near Darwin from the giant Ichthys field offshore Western Australia via an 890 kilometers long export pipeline. Inpex sent last year the 500th cargo of LNG from its Ichthys terminal since the start of operations in 2018. source:www.lngprime.com

NIGERIA'S NNPC STARTS LNG DELIVERIES TO JAPAN AND CHINA

State-run Nigerian National Petroleum Corp has started delivering liquefied natural gas (LNG) cargoes to Japan and China on a delivered ex-ship basis. NNPC, which has a 49 percent stake in Nigeria LNG, the operator of the six-train 22 mtpa facility on Bonny Island, said in a statement on Monday it has achieved the milestone through the collaboration of two of its downstream subsidiaries – NNPC LNG and NNPC Shipping. Under a DES delivery, the seller agrees to deliver LNG at a specific terminal and takes responsibility for the shipping and insurance until the shipment arrives to the specified location. According to NNPC, the company delivered its first DES LNG cargo onboard the 174,000-cbm LNG vessel, Grazyna Gesicka, at the Futtsu terminal in Japan, on June 27. Grazyna Gesicka, owned by Knutsen and chartered by Poland's Orlen, delivered the cargo from the Bonny LNG plant to Jera's Futtsu LNG import terminal in Chiba prefecture on Tokyo Bay, its AIS data provided by VesselsValue shows. Following this shipment, NNPC has expanded its footprint to China with the delivery of one LNG cargo on a DES basis, it said. NNPC did not provide further details regarding this shipment. Images posted by NNPC show the 154,500-cbm, LNG Alliance, previously known as Gaselys. This vessel, owned by Sinokor, delivered a shipment last week from the Bonny LNG plant to the Diefu LNG import terminal in Shenzhen, Guangdong, operated by PipeChina, its AIS data shows.

NNPC to deliver at least two LNG cargoes more by end of this year

NNPC has been involved in LNG trading since 2021 with its first LNG cargo sale in November of that year. The company has since traded over 20 cargoes into the European and Asian markets on a free on board (FOB) basis, it said. "The DES system, apart from being more financially rewarding, allows NNPC inroads into the downstream segment of the LNG sector and positions it to capture more market shares while building in-house capacity and ensuring that global customers are familiar with the NNPC brand," NNPC's executive president, downstream, Dapo Segun, said:

Moreover, the collaboration between NNPC LNG and NNPC Shipping in executing the LNG supplies on a DES basis has strengthened the latter's position as a "world class shipping provider" in the LNG sector. "NNPC Shipping intends to build a shipping portfolio (including owned vessels) so that we can provide our sister company and other clients all the shipping flexibilities they need," managing director of NNPC Shipping, Panos Gliatis, said. NNPC LNG, in collaboration with NNPC

Shipping, is scheduled to deliver "at least two more LNG cargoes" to the Asian market on a DES basis by November. "Many more orders are expected before the end of year," NNPC said in the statement. source:www.lngprime.com

CCEC EXPECTS TO BECOME LARGEST US-LISTED LNG SHIPPING FIRM BY 2027

Capital Clean Energy Carriers (CCEC), previously known as Capital Product Partners, expects to become the largest US-listed LNG shipping company by 2027. CCEC announced in a statement on Monday completion of its conversion from a Marshall Islands limited partnership to a Marshall Islands corporation and its adoption of a new corporate identity with a change in name and Nasdaq stock market ticker to CCEC. The conversion and the name change are "key milestones" in CCEC's strategic pivot towards the transportation of various forms of natural gas to industrial customers, including LNG, as initially announced in 2023.

18 LNG carriers

In November last year, the company entered into an umbrella agreement to buy 11 LNG carriers from its sponsor Capital Maritime & Trading Corp for a total acquisition price of $3.13 billion. It entered into the deal with Evangelos Marinakis-led Capital Maritime and its general partner Capital GP.CCEC said five of these vessels are already on the water and the remaining six vessels are expected to be delivered between the first quarter of 2026 and the first quarter of 2027. The company recently took delivery of three new LNG carriers in South Korea. In June this year, the company also ordered 10 gas carriers, including four unique handy multi gas carriers that can carry liquid CO2. "This $3.9 billion investment, notable both in asset value and scope, demonstrates our commitment to becoming a leading provider of transportation for LNG and other clean fuels," the firm said. The company has already made significant progress on its refocus of the business with 12 LNG vessels currently on the water plus the disposal of seven legacy container vessels during the first half of 2024. Upon delivery of its remaining six vessels between the first quarter of 2026 and the third quarter of 2027, CCEC expects to become the largest US-listed LNG shipping company. Capital Gas, also controlled by Marinakis, manages all of these LNG carriers.

"More attractive investment opportunity"

"Today's announcement whilst symbolic is an important step in the growth and evolution of the company," CEO Jerry Kalogiratos said. "It builds upon our stated intention to become the only US-listed shipping company offering transportation for all gas types with an emphasis on the energy transition, as these vessels can move LPG, ammonia, butane, propylene and liquid CO2, adding to LNG, where we already have a presence," he said. Kalogiratos said this conversion to a traditional corporate structure will enhance CCEC's corporate governance and is intended to position the company as a "more attractive investment opportunity" in the equity capital markets. "We have structured the converted company in a manner that we believe will appeal to institutional investors, which we believe will further broaden our investor base and improve our trading liquidity," he said.

source:www.lngprime.com

EIDESVIK, EQUINOR TO CONVERT LNG-POWERED PSV TO USE AMMONIA AS FUEL

Norwegian energy firm Equinor has signed a contract with compatriot Eidesvik Offshore to convert the LNG dual-fuel PSV, Viking Energy, to operate with ammonia fuel. According to separate statements by Eidesvik and Equinor, Viking Energy will be the world's first supply vessel fueled by ammonia. In addition to chartering the vessel, Equinor will contribute to funding the conversion. The project received five million euros ($5.6 million) in support through the EU Horizon Europe program. The vessel is expected to be fully converted and put into operation in 2026. In July this year, Equinor declared options to extend the contract with Eidesvik for the LNG dual-fuel 2003-built supply vessel. The contract extension runs from April 2025, extending the firm period to April 2030. Viking Energy has been in continuous operation for Equinor since its launch in 2003. The vessel supplies Equinor's installations on the Norwegian continental shelf (NCS). At the time of delivery in 2003, the vessel was the world's first LNG-fueled supply vessel. Besides LNG propulsion, the 94.9 meters long PSV features a battery hybrid system.

Wartsila to supply engine and other equipment

Finland's Warstila won the contract from Eidesvik to supply supply the equipment for the conversion project. In addition to the Wartsila 25 ammonia engine, Wartsila will supply the complete ammonia solution. This include its AmmoniaPac fuel gas supply system, the Wartsila ammonia release mitigation system (WARMS), and a selective catalytic reduction (SCR) system designed for ammonia. Warstila said a service agreement, covering maintenance, is a highly essential part of the deal. The conversion project is planned for early 2026, with final commissioning expected in the second quarter of 2026, it said. source:www.lngprime.com

QATARENERGY SEALS LONG-TERM LNG SUPPLY DEAL WITH KUWAIT'S KPC

State-owned QatarEnergy and Kuwait Petroleum (KPC) signed a 15-year sale and purchase deal for the supply of liquefied natural gas (LNG) from Qatar to Kuwait. QatarEnergy's CEO, Saad Sherida al-Kaabi, and KPC's CEO, Sheikh Nawaf al-Sabah, signed the SPA during a ceremony in Kuwait on Monday. The new SPA includes the delivery of up to three million tons per annum of LNG to KPC to fuel Kuwait's power plants. Pursuant the terms of the SPA, the contracted LNG volumes will be delivered ex-ship to Kuwait's Al-Zour LNG terminal onboard QatarEnergy's conventional, Q-Flex, and Q-Max LNG vessels, starting in January 2025, according to a statement by QatarEnergy. This deal follows a long-term deal the two firms signed back in 2021. Under that 15-year SPA, QatarEnergy also agreed to supply 3 million tons per year of LNG to Kuwait's Al-Zour receiving terminal. In 2021, LNG producer QatarEnegy LNG, previously knows as Qatargas, delivered the first-ever cargo of LNG to help commission the Al-Zour facility. Operated by KPC's unit KIPIC, Al-Zour terminal is one of the largest LNG import terminals in the world with an import capacity of 22 mtpa.

Huge LNG expansion

QatarEnergy is currently working on the giant North Field LNG expansion program that includes the North Field South and North Field West projects, which together will raise Qatar's LNG production capacity from the current 77 mtpa to 142 mtpa in 2030. The first two projects include six mega trains, each with a production capacity of 8 mtpa of LNG, four of which are part of the North Field East expansion project, and two are part of the North Field South expansion project. QatarEnergy officially started construction on its North Field expansion project in the giant Ras Laffan complex in October last year. QatarEnergy LNG currently operates 14 LNG production trains with a capacity of about 77 mtpa in Ras Laffan. QatarEnergy's partners in the expansion project are Shell, ConocoPhillips, ExxonMobil, TotalEnergies, Eni, Sinopec, and CNPC. Technip and Chiyoda won the EPC award for the North Field East project, while QatarEnergy awarded the contract for the North Field South project to a joint venture of Technip Energies and Consolidated Contractors Company. Besides this deal with KPC, QatarEnergy signed this year LNG supply deals with Taiwan's CPC, India's Petronet LNG, and US FSRU player Excelerate Energy. Prior to these deals, QatarEnergy signed huge contracts in 2023. These large deals include 27-year SPAs with Sinopec, Eni, Shell, and TotalEnergies. source:www.lngprime.com

VENTURE GLOBAL'S PLAQUEMINES LNG TERMINAL GETS COOL-DOWN CARGO

US LNG exporter Venture Global LNG has received the first cool-down cargo at its Plaquemines LNG export plant in Louisiana, as part of the terminal's commissioning phase. Venture Global posted an image via its social media on Friday of the 2020-built 174,000-cbm, Qogir, at the Plaquemines LNG export facility. The firm did not provide any other information. This LNG carrier, owned by TMS Cardiff Gas and chartered by TotalEnergies, is laden with a cargo from Equinor's Hammerfest LNG terminal in Norway, its AIS data provided by VesselsValue shows. LNG Prime contacted Venture Global to comment on whether the company plans to use this LNG cargo for the cool-down of the facility and to provide further information, but we did not receive a reply by the time this article was published. In April last year, Venture Global sought approval from the from the US DOE to export previously imported LNG from its terminal under construction in Plaquemines Parish in volumes of up to the equivalent of 600 million cubic feet of natural gas over a two-year period starting upon issuance of the authorization. Plaquemines LNG sought this authorization to allow it to re-export natural gas imported to the terminal as part of the cool-down of terminal facilities during the start-up of those facilities. The firm said it has determined that the optimal method for this part of the start-up of its terminal facilities is to import foreign sourced LNG by vessel and it may receive up to three LNG carrier cargoes for this purpose. Plaquemines LNG expects that all of its LNG imports will occur this year, as part of its start-up cool-down operations. Besides Qogir, Venture Global's first LNG carrier, Venture Gator, was on Monday also located near the Plaquemines LNG terminal, its AIS data shows. This 174,000-cbm LNG carrier appears to be laden and it may be used

for re-export of the remaining volumes.In June, Venture Global took delivery of this vessel in South Korea, the first of nine LNG carriers.

Plaquemines LNG to start production in Fall

Venture Global LNG recently revealed in a FERC filling that it expects to start LNG production at its Plaquemines LNG plant in Fall this year. According to Venture Global, the company's second project has completed nearly 80 percent of the project's construction. Venture Global is targeting first production of LNG this Fall, with "exports of LNG on a pre-commercial operation basis beginning soon thereafter," it said. In April, the company said it expects to start LNG production at its Plaquemines LNG export plant in mid-2024. Venture Global expects the commissioning process for the Plaquemines LNG terminal to take about 24 months. According to a FERC filling dated August 23, the regulator granted Venture Global to commission the liquefaction train system block 1 with nitrogen gas. Venture Global is also requesting in a separate filling approval from FERC to introduce gas and LNG to the jetty 2, marine transfer piping, LNG tank 1, and temporary LP flare.

Two phases

Venture Global took a final investment decision in May 2022 on the first phase of the Plaquemines project with a capacity of 13.3 mtpa and the related pipeline. It also secured $13.2 billion in project financing. In March last year, the company sanctioned the second phase of the Plaquemines LNG export plant in Louisiana and also secured $7.8 billion in project financing. The full project, including the second stage, will have a capacity of 20 mtpa coming from 36 modular units, configured in 18 blocks. Worth mentioning here, the US Pipeline and Hazardous Materials Safety Administration (PHMSA) recntly gave the green light to Venture Global LNG for its proposed Plaquemines LNG uprate project. PHMSA issued a letter of determination on June 21 for the project aimed at increasing the peak liquefaction capacity at the Plaquemines LNG terminal from about 24 mtpa to 27.2 mtpa. Venture Global's Plaquemines LNG plant received in August last year its first liquefaction modules. Baker Hughes ships these modular units to the US from its manufacturing facility in Italy, the same as the firm did for Venture Global's Calcasieu Pass project. In December, Venture Global LNG completed raising the roof on the fourth and final storage tank. The firm completed raising the roof on the first tank in February, the second tank in April, and the third tank in September. McDermott's unit CB&I won a contract from a unit of Venture Global to build the first two LNG storage tanks as part of the first phase while the second phase includes two tanks as well.source:www.lngprime.com

NEW ZEALAND PLANS LNG IMPORTS

New Zealand is looking to import liquefied natural gas (LNG) as part of its plans to alleviate energy shortages and boost energy security. This was announced by New Zealand's energy minister Simeon Brown and resources minister Shane Jones on Monday after the country's Cabinet has approved a raft of actions to address the "serious risk to New Zealand's energy security and affordability." According to a joint statement, the country's Cabinet has committed to reverse the ban on offshore oil and

gas exploration, with legislation passed by the end of 2024, remove regulatory barriers to the construction of critically needed facilities to import LNG as a stop gap, ease restrictions on electricity lines companies owning generation, ensure access for gentailers to hydro contingency, and also improve electricity market regulation.

Energy shortage

Brown said that New Zealand currently has an energy shortage. "The lakes are low, the sun hasn't been shining, the wind hasn't been blowing, and we have an inadequate supply of natural gas to meet demand," he said. "That has led to New Zealand currently having the highest wholesale electricity prices of any of the countries we normally compare ourselves to. It is devastating for our manufacturing and export sectors, and is sadly leading to firms reducing production or closing entirely," he said. According to Brown, natural gas production dropped by 12.5 percent in 2023 and by a further 27.8 percent for the first three months of this year, creating a nationwide shortage. Moreover, this has resulted in reductions in manufacturing output, and electricity generators resorting to more coal and diesel to power the country's electricity system, he said. "Unlike many other countries, New Zealand is blessed with energy resources under our feet. Natural gas has drawn new industries to our shores, created well-paying jobs in our regions, and powered the producing, manufacturing, and exporting businesses that are the backbone of our economy," Jones said. "It is critical for New Zealand that these keep going, but already some businesses are having to close their doors until energy prices come down; with hundreds of jobs at stake. That's why we are taking urgent action to shore up our energy security," he said. "Oil and gas explorers need to have the confidence to invest here and know they will have a key place in New Zealand's energy sector now and into the future," he said.

LNG terminal

The statement said the ministers will report back to Cabinet in October with options for "mitigating sovereign risk in an LNG facility and domestic gas production." However, the statement did not provide further information regarding the LNG facility. Brown told New Zealand's talk show Q+A on Sunday that the investment in the LNG facility would require "hundreds of millions of dollars." He said that there are three possibilities, including importing LNG via the former Marsden Point oil refinery, at the Port of Taranaki, as well as an offshore option. Also, he said the government is looking to remove the barriers in order to allow the market to invest and build that facility. Brown said the biggest barrier for LNG imports is consenting and the government would look to fast-track approvals to allow private companies to build a facility and import LNG. This could mean that New Zealand may host a chartered FSRU in the future to facilitate LNG imports. Norwegian FSRU player Hoegh LNG recently said in its second-quarter results report that as of the end of June 2024, the global fleet of FSRUs counted 47 units, excluding four barges with limited storage and/or send-out capacity. "Following the recent surge in demand for FSRUs, only one existing unit remains available for prompt delivery in the market," Hoegh LNG said. There are two FSRU newbuilds on order, of which one is available with expected delivery in 2026. This unit is the 174,000-cbm FSRU Excelerate Energy ordered at South Korea's Hyundai Heavy Industries in 2022. Also, three LNG carriers are under conversion to specialized FSRUs set

to serve floating LNG-to-power projects. Earlier this year, Seatrium secured a contract from Karpowership to convert these LNG carriers into FSRUs. source:www.lngprime.com

THAILAND'S B.GRIMM POWER IMPORTS FIRST LNG CARGO

Thailand's B.Grimm Power, a unit of B.Grimm, has imported its first liquefied natural gas (LNG) cargo. With this shipment, B.Grimm Power became the first private company in Thailand to import LNG for distribution to small power producers (SPP), according to the firm. B.Grimm LNG, a unit of B.Grimm Power, imported 65,000 tons of LNG via PTT's Map Ta Phut LNG terminal 1 (LMPT1) in Rayong province. Also, the firm purchased the LNG cargo from Japan's Sumitomo. According to images posted by B.Grimm Power, the 2010-built 170,000-cbm, Methane Julia Louise, delivered the shipment to the LNG import facility on August 25. Methane Julia Louise's AIS data provided by VesselsValue shows that the vessel brought the shipment from Shell's QCLNG plant on Curtis Island near Gladstone, Australia. In the initial phase, B.Grimm Power will supply regasified LNG to 10 of its combined cycle co-generation power plants. B.Grimm Power said this milestone supports the government's natural gas liberalization policy, which will help reduce the cost of electricity generation. Back in March 2022, B.Grimm LNG signed a terminal use deal with a unit of state-owned oil and gas firm PTT to use that latter's Map Ta Phut LNG import terminal in Rayong province. Prior to that, B.Grimm LNG has been authorized to import up to 1.20 million tons of LNG per year. Earlier this year, Thailand's Gulf Energy Development and Ratch launched the first gas-fueled unit at their Hin Kong power plant following the arrival of the maiden LNG cargo at PTT's second Map Ta Phut LNG terminal. Hin Kong Power, a joint venture owned 51 percent by Ratch and 49 percent by Gulf Energy, received on February 28 its first LNG shipment at PTT's Map Ta Phut Terminal 2 (LMPT 2), also known as the Nong Fab LNG terminal. Last year, Saipem and its partner CTCI completed PTT's Nong Fab LNG import plant in Thailand, the country's second such facility. This 7.5 mtpa terminal adds to PTT's first Map Ta Phut LNG terminal (LMPT 1) with a capacity of 11.5 mtpa. source:www.lngprime.com

SOUTH KOREA WAS TOP DESTINATION FOR US LNG CARGOES IN JUNE

South Korea was the top destination for US liquefied natural gas cargoes in June, according to the Department of Energy's newest LNG monthly report. The DOE report shows that US terminals shipped 40.8 Bcf of LNG to South Korea in June, 34.9 Bcf to the Netherlands, 28.8 Bcf to India, 27.9 Bcf to Japan, and 20.8 Bcf to China. These five countries took 43 percent of total US LNG exports in June. In May, India was the top destination for US LNG cargoes, while Asia overtook Europe as the main destination for US LNG supplies. Prior to that, Dutch and French LNG import terminals were the top destinations for US LNG supplies in March and April. According to DOE's data, the Netherlands was the top destination for US LNG supplies in January-June with 264.4 Bcf or 79 cargoes, down by 14 percent year-on-year, while France took 202.1 Bcf or 62 cargoes,

down by 20 percent year-on-year. In 2023, the Netherlands was also the the prime destination for US LNG cargoes with 588.6 Bcf, followed by France with 493.2 Bcf.

US LNG exports up

The US exported in total 356.4 Bcf of LNG in June to 37 countries, up by 8.7 percent compared to the same month in 2023 and a drop of 3.1 percent from the prior month, the DOE report shows. Asia received 153.6 Bcf or 43.1 percent of these volumes, while Europe received 142.5 Bcf or 40 percent of these volumes and Latin America/Caribbean received 46 Bcf or 12.9 percent. The DOE said that 80.5 percent of total June LNG exports went to non-free trade agreement countries, while the remaining 19.5 percent went to free trade agreement countries. US terminals shipped 119 LNG cargoes in June, down from 122 LNG cargoes in May. Cheniere's Sabine Pass plant sent 34 cargoes and its Corpus Christi terminal shipped 23 cargoes, while the Freeport LNG terminal shipped 20 cargoes and Sempra's Cameron LNG plant shipped 19 cargoes during the month under review. Venture Global's Calcasieu plant sent 14 cargoes, the Cove Point LNG terminal dispatched 7 shipments and Elba Island LNG sent 2 cargoes.

Average price at 6.32/MMBtu

According to DOE's report, the average price by export terminal reached 6.32/MMBtu in June, and this compares to 7.09/MMBtu in June 2023, while the average price was 5.41/MMBtu in May, 5.25/MMBtu in April, $5.47/MMBtu in March, $6.31/MMBtu in February, and 6.63/MMBtu in January this year. The most expensive average price in June comes from Venture Global's Calcasieu Pass terminal and it reached $9.09/MMBtu. Prices at other facilities ranged between $4.73-$6.39/MMBtu, the data shows. source:www.lngprime.com

US SANCTIONS SEVEN RUSSIAN LNG CARRIERS

The US government has imposed sanctions on seven liquefied natural gas (LNG) carriers tied to the Novatek-operated Arctic LNG 2 and Yamal LNG projects in Russia. According to the US Treasury and the Department of State, the LNG carriers include the Palau-flagged Asya Energy, Everest Energy, and Pioneer, and the Panama-flagged North Air, North Mountain, North Sky, and North Way. The Department of State said in a statement on August 23 that these new sanctions are targeting shipping companies that loaded and transported LNG from the Arctic LNG 2 project and Russia's procurement of LNG tankers.

Ocean Speedstar Solutions

"In an attempt to circumvent U.S. sanctions on, and revitalize, Russia's Arctic LNG 2 project, Russian companies have engaged in efforts to procure second-hand LNG tankers, predominantly through front companies in third country jurisdictions, to make up for a critical shortage of available tankers for the Arctic LNG 2 project," the Department said. Ocean Speedstar Solutions recently acquired LNG carriers Pioneer and Asya Energy. The 2005-built and 2002-built LNG carriers have a capacity of about 138,000 cbm. "Pioneer and Asya Energy entered Russian territorial waters in late July 2024 and proceeded to engage in a number of deceptive shipping practices, such as shutting off the vessels' automatic identification system (AIS), as well as

manipulating the vessels' AIS to broadcast false locations," the Department said. "While producing a false AIS signature, Pioneer proceeded to the Utrenneye terminal at the Arctic LNG 2 project and was captured by commercial satellite imagery loading LNG from the Arctic LNG 2 facility from August 1 to August 3, 2024," it said. "Similarly, from August 9 to August 11, Asya Energy was captured by commercial satellite imagery loading LNG from the Utrenneye terminal at the Arctic LNG 2 facility," the Department said. Today's actions demonstrate the Department's "commitment to enforcing our sanctions on the project." The Department said that Zara Shipholding is the registered owner of Pioneer, while Ocean Speedstar Solutions is responsible for the management and operation of Pioneer and Asya Energy, as well as Everest Energy. The 2003-built Everest Energy has a capacity of 138,000-cbm.

White Fox Ship Management

The Department said it is designating White Fox Ship Management, a UAE-based ship management company which manages four LNG carriers that have transhipped LNG from Russia's Yamal LNG project, despite being originally intended for use with the Arctic LNG 2 project. "The acquisition of these four vessels represents an expansion of Russia's existing LNG fleet and export capacity, an expansion that we have committed to blocking," it said. "Further, this transshipment of LNG by vessels with obfuscated ownership could eventually help Russia circumvent EU restrictions prohibiting the transshipment of Russian-origin LNG through European ports," the Department said North Air, North Mountain, North Sky, and North Way are being identified as property in which White Fox has an interest, it said. Built in 2023 and 2023 by Samsung Heavy, these LNG carriers have a capacity of 174,000 cbm.

Novatek China

Besides LNG carriers, the Department is designating Novatek China Holdings, a PRC-based company established in August 2023 involved in the implementation of a marketing program for LNG from the Arctic LNG 2 project. Novatek China is being designated for operating or having operated in the management consulting sector of the Russian Federation economy, it said. The Department is also designating Ekropromstroy, a Russia-based construction project management company used as a special purpose vehicle for the sale of equity stakes in U.S.-designated LLC Arctic LNG 2 to foreign project investors, it said. Finally, the Department said it is designating Waterfall Engineering, a UAE-based company that provided gravity-based structure parts to US-designated LLC Arctic LNG 2 throughout 2023. Waterfall Engineering is being designated for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of LLC Arctic LNG 2, it said.

GBS

Russian LNG exporter Novatek recently delivered the second gravity-based structure platform from its yard near Murmansk to the site of the Arctic LNG 2 project located on the Gydan peninsula, according to reports. The second GBS left the Belokamenka yard under tow on July 26, and the installation of the unit at the Arctic LNG 2 site was expected to start in mid-August,

Kommersant said in a previous report. Novatek completed the second GBS despite sanctions by the US and the EU related to the Arctic LNG 2 project. The first GBS left the Belokamenka yard in July last year and Novatek completed the installation on the underbase foundation on the seabed at the Utrenniy terminal in August. This 330 meters long, 152 meters wide, and 90 meters high platform weighs 640,000 tonnes and is the heaviest object ever moved in the history of the global LNG industry, Novatek claims. The train consists of topside modules with the equipment to produce and offload LNG and stable gas condensate, installed on a concrete gravity-based structure, which accommodates LNG and condensate storage tanks.

Arctic LNG 2

The first and second GBS each have a capacity of about 6.6 mtpa, while the Arctic LNG 2 project also previously included the construction of the third GBS. The resource base of the Arctic LNG 2 project is the Utrenneye field located on the Gydan Peninsula in the YaNAO, about 70 km from the Novatek-operated Yamal LNG project across the Gulf of Ob. Novatek is the LNG project's operator with a 60 percent stake, France's TotalEnergies owns 10 percent, while CNPC and CNOOC of China have 10 percent, each. Japan Arctic LNG, a consortium of Mitsui & Co and Jogmec, owns a 10 percent stake in the project as well. In January, TotalEnergies initiated a force majeure process on the Arctic LNG 2 project in Russia due to sanctions. In March 2022, TotalEnergies said it would no longer provide capital and book proven reserves for the Arctic LNG 2 project due to the uncertainty created by the technological and financial sanctions on the ability to carry out the development. After that, TotalEnergies wrote down its 19.4 percent stake in Novatek and withdrew the representatives of the company from the board of Novatek. source:www.lngprime.com

MEXICO PACIFIC PENS 20-YEAR LNG SUPPLY DEAL WITH POSCO INTERNATIONAL

Mexico Pacific, the developer of the planned 15 mtpa Saguaro Energia LNG export project, has signed a long-term deal to supply liquefied natural gas to Posco International, a unit of South Korean steel producer Posco. Under the 20-year SPA, Posco International will offtake 0.7 million tonnes per year of LNG on a FOB basis from Mexico Pacific's LNG export facility, Saguaro Energia, located in Puerto Libertad, Sonora, according to a statement by Mexico Pacific. The two firms are evaluating additional opportunities to expand upon this initial commercial partnership, Mexico Pacific said. South Korea has a "robust" trade relationship with Mexico and is one of the only major economies in Asia that has a comprehensive free trade agreement (FTA) with the United States, Mexico Pacific noted. "We are delighted to welcome Posco International as a foundation customer, further validating the strategic value of west coast North American LNG for Korea, one of the world's largest LNG importing markets," said Sungbok Park, chief marketing officer of Mexico Pacific.

US gas

Through further engineering in collaboration with its EPC contactors, Mexico Pacific has achieved "significant optimization outcomes" this year, the company said. When operational, the first phase of Mexico Pacific's Saguaro Energía LNG facility will comprise three liquefaction trains and associated infrastructure. The LNG facility will leverage natural gas from the Permian Basin in Texas, providing the "lowest landed price of LNG" into Asia globally, it said. In November 2023, Mexico Pacific awarded the engineering, procurement, and construction contract for the pipeline which will deliver natural gas to the proposed facility. The 500-mile (850km) pipeline will be utilized as the primary natural gas supply path for the transportation of up to 2.8 Bcf/d natural gas from the US border to the first phase of Mexico Pacific's 15 mtpa Saguaro Energia LNG export facility.

FID

"With three liquefaction trains commercially contracted, strong support from governments and capital markets, and key federal, state, and municipal permits in place across the Saguaro Energía LNG facility and the Sierra Madre Pipeline, Mexico Pacific is positioning the project for a positive final investment decision (FID)," the firm said. Mexico Pacific did not say when it expects to take FID. The firm said in December 2023, while announcing a long-term deal with Australian LNG player Woodside, that it expects to take FID on the first two trains in the first half of this year. Also, Mexico Pacific said in April it expects to begin construction in the second half of this year. In January, the LNG terminal developer signed another 20-year sales and purchase agreement with a unit of US energy giant ExxonMobil for 1.2 million tonnes per year of LNG on a free-on-board basis. This is the third SPA Mexico Pacific signed with ExxonMobil LNG Asia Pacific following two 20-year deals announced in February last year for a combined 2 mtpa of LNG. source:www.lngprime.com

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